

GULCH MINES LIMITED

18th Annual Report

For the Year Ended December 31, 1971

GULCH MINES LIMITED

OFFICERS

J.A. Grant - - - - - President
Foster W. Hewitt - - - - - Vice-President
H.L. Good - - - - - Secretary-Treasurer

DIRECTORS

H.L. Good - - - - - Toronto, Ontario
Gordon M. Grant - - - - - Toronto, Ontario
J.A. Grant - - - - - Toronto, Ontario
Foster W. Hewitt - - - - - Toronto, Ontario
S.H. Robinson - - - - - Toronto, Ontario

HEAD OFFICE

Suite 710 - 60 Yonge Street, Toronto, Ontario

MINE PROPERTIES

Black Bay, Lake Athabaska, Saskatchewan
Geraldton, Ontario

REGISTRAR AND TRANSFER AGENT

Sterling Trusts Corporation
372 Bay Street, Toronto 1, Ontario

AUDITORS

Grier, Dyer & Co., Toronto, Ontario

COUNSEL

Holden, Murdoch, Walton, Finlay, Robinson
Toronto, Ontario

ANNUAL MEETING

The Annual Meeting of the Company will be held at the Company's Head Office, Suite 710 - 60 Yonge Street, Toronto 1, Ontario, Thursday, the 27th day of April, 1972, at 11:00 o'clock in the forenoon, Toronto time.

GULCH MINES LIMITED

Directors' Report

TO THE SHAREHOLDERS:

The Directors submit herewith the Eighteenth Annual Report of your Company including Financial Statements and the Auditors' Report for 1971.

The Company's shares were delisted from the Toronto Stock Exchange January 25th, 1972, as the working capital position of the Company did not meet the Exchange's financial requirements of \$25,000.00. Transactions of the shares of the Company are published in the financial section of the Toronto Globe and Mail and provided by the Investment Dealers Association of Canada under the authority of the Ontario Securities Commission.

This year your Company has been looking very seriously at the Gas and Oil Industry, and has entered into a joint oil well drilling project with three partners on an equal basis in the Willmar Oil Field situated in South Eastern Saskatchewan. The well is designated as the F.F. Gulch Willmar 4-15-6-3W2 with the drilling of the site to start some time in early May, 1972.

The Company's uranium property at Black Bay, Lake Athabaska, and patented gold claims at Geraldton, Ontario, remain in good standing with no work being carried out during the past year.

The Company received a number of property submissions during the year but none were of sufficient interest to warrant investigation.

On behalf of the Board,

JAMES A. GRANT,

President.

March 29th, 1972.

G U L C H M I

(Incorporated under the law

BALANCE SHEET AS

(1970 figures)

A S S E T S

	1971	1970
Current:		
Cash	\$ 599	20
Short term notes and accrued interest	<u>22,475</u>	<u>25,086</u>
	23,074	25,106
Mining Claims - at cost:		
Saskatchewan - Beaverlodge area	104,500	104,500
Ontario - Geraldton area	16,074	16,074
Mining Plant and equipment - at nominal value	1	1
Organization Expense	5,022	5,022
Deferred Exploration, Development and Other Expenditures (net) - Exhibit B	1,772,594	1,769,826
	<u>\$ 1,921,265</u>	<u>1,920,529</u>

AUDITORS

The Shareholders,
Gulch Mines Limited:

We have examined the balance sheet of Gulch Mines exploration, development and other expenditures and source and use of review of the accounting procedures and such tests of accounting records the circumstances.

In our opinion these financial statements present and the results of its operations and the source and use of its funds accounting principles applied on a basis consistent with that of the p

Toronto, Ontario
10th March, 1972

C S L I M I T E D
of the Province of Ontario)

EXHIBIT A

31ST DECEMBER 1971
for comparison)

L I A B I L I T I E S

	1971	1970
Current:		
Accounts payable and accrued	\$ <u>1,186</u>	<u>450</u>
Capital:		
Authorized -		
5,000,000 shares of \$1.00 par value each	\$ <u>5,000,000</u>	
Issued -		
4,319,865 shares	4,319,865	4,319,865
Less: discount	<u>2,399,786</u>	<u>2,399,786</u>
	<u>1,920,079</u>	<u>1,920,079</u>
Approved on behalf of the Board		
<u>J.A. Grant</u>	Director	
<u>H.L. Good</u>	Director	
	<u>\$ 1,921,265</u>	<u>1,920,529</u>

REPORT

ited as at 31st December, 1971 and the statements of deferred
ds for the year then ended. Our examination included a general
and other supporting evidence as we considered necessary in

arly the financial position of the company as at 31st December 1971
the year then ended, in accordance with generally accepted
eding year.

GRIER, DYER & CO.
Chartered Accountants

GULCH MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES (NET)

FOR THE YEAR ENDED 31ST DECEMBER 1971

(1970 figures shown for comparison)

	1971	1970
Balance forward from previous year	\$ <u>1,769,826</u>	<u>1,765,006</u>
Expenditures for the Current Year:		
Exploration and Development -		
Projects subsequently abandoned		5
General	672	737
Prospecting	\$ 329	
Taxes	343	
	<u>672</u>	<u>742</u>
Administrative and General -		
Canada Pension Plan		50
Expenses of annual report and meeting	870	985
Executive salary		3,200
Filing fees, taxes and licenses	90	120
Legal, accounting and audit fees	850	490
Listing fees	200	100
Office supplies and expenses	247	43
Transfer agent and registrar	<u>1,356</u>	<u>1,134</u>
	<u>3,613</u>	<u>6,122</u>
Total Expenditures for the year	4,285	6,864
Revenue for the Current Year:		
Interest and sundry income	<u>1,517</u>	<u>2,044</u>
Net Expenditures for the year	<u>2,768</u>	<u>4,820</u>
Total Net Expenditure to date	\$ <u>1,772,594</u>	<u>1,769,826</u>

Note:

No remuneration was paid to directors and executive officers of the company during the year 1971; such remuneration totalled \$3,390 for the year 1970.

GULCH MINES LIMITED

STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE YEAR ENDED 31ST DECEMBER 1971

(1970 figures shown for comparison)

	1971	1970
Source of Funds:		
Interest and sundry income	\$ <u>1,517</u>	<u>2,044</u>
Use of Funds		
Total Expenditures for the year - Exhibit B	<u>4,285</u>	<u>6,864</u>
Working Capital:		
Decrease during the year	2,768	4,820
Balance at the beginning of the year	<u>24,656</u>	<u>29,476</u>
Balance at the end of the year	\$ 21,888	24,656
	<u>=====</u>	<u>=====</u>
Represented by -		
Current assets	\$ 23,074	25,106
Less - Current liabilities	<u>1,186</u>	<u>450</u>
	\$ 21,888	24,656
	<u>=====</u>	<u>=====</u>

